



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
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355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

November 2, 1987

Mr. D. C. Corkill
Georgia Pacific Corporation
P.O. Box 68
Sigurd, Utah 84657

Dear Mr. Corkill:

Re: Preliminary Reclamation Bond Estimate, M/041/009, Georgia
Pacific Gypsum Quarries, Sevier County, Utah

Attached is a Preliminary Reclamation Bond Estimate for Georgia Pacific's gypsum quarries. The total reclamation cost is estimated to be \$145,500 in the year 2007. An informational packet on bonding is also enclosed. We will not calculate the actual bond amount until the end of 1987 as per our agreement. In the meanwhile there are several things that you can do to reduce the amount of this preliminary estimate. These are itemized below:

1. Any of the disturbed acreage that is adequately reclaimed prior to the end of the year will not be included in the bond estimate. We will schedule a field visit to verify reclaimed acreages as weather and your schedule permit (probably in early January).

Note: The Mayfield Quarry will be handled separately as per our previous agreement.

2. The equipment and labor rates used in the estimate come from the "Rental Rate Blue Book" and the "Means Site Work Handbook". These rates are normally higher than local contractors' rates in Utah. We will use local contractors' rates for the estimate if you will furnish us a written copy of their price quotes. We cannot use Georgia Pacific's costs because the bond amount is to reflect what the Division would have to pay to have an outside contractor reclaim the site.

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Mr. D. C. Corkill

M/041/009

November 2, 1987

3. We have estimated the number of hours and the cost of seed and fertilizer necessary to reclaim the quarries and roads. If your figures are significantly lower than this estimate, it would be in your best interest to provide us with this information.
4. In your Mining and Reclamation Plan you requested that we bond for a twenty-year permit term. This results in a higher bond amount than would be calculated for a five year bond period for two reasons:
 - a. Fifteen years of inflation are added to the estimate.
 - b. All the future acreage to be mined is added into the estimate.

We can calculate a bond for a five year period if you desire. In order to do so, you would have to estimate what portion of the future mining area would be disturbed during the next five years.

The surety amount for your quarries will be determined after we inspect your reclamation work in January. Upon receipt of the bond from you, the Division will present the bond and a summary of the plan to the Board of Oil, Gas and Mining for final approval. If all goes smoothly, this should occur sometime in March or April.

Best regards,



Frank J. Filas
Reclamation Engineer

clj

cc: L. Braxton

F. Jensen

D. Wham

D. Moody, Georgia Pacific Corp.

1311R/30-31

Preliminary Reclamation Bond Estimate
Georgia Pacific Quarries
M/041/009
by
Frank J. Filas
October 28, 1987

ITEM	QUANTITY	* UNIT COST	COST/ACRE
<u>Mine Site</u>			
1. Backfill and Grade, D-9L	4 hrs	\$174.40/hr	\$ 698
2. Spread Stockpiled Soil & Rip, D-9L W/Ripper	2 hrs	174.40/hr	349
3. Seed and Fertilize			
Farm Tractor W/Disk	2 hrs	73.65/hr	147
Laborer	2 hrs	23.65/hr	47
Seed	20 lbs	5.00/lb	100
Fertilizer	200 lbs	.25/lb	50
4. Reseed if Necessary Assume 20% Area to be Reseeded			<u>70</u>
	Subtotal		\$1,461
	Ten Percent Contingency		<u>146</u>
	Total (1987 Dollars)		<u><u>1,607</u></u>
Total in 2007 dollars (2% inflation for 20 years)			\$2,388

<u>ITEM</u>	<u>QUANTITY</u>	<u>*UNIT COST</u>	<u>COST/ACRE</u>
<u>Roads</u>			
1. Recontour Road Area			
D-9L	2 hrs	\$174.40/hr	\$ 349
2. Spread Stockpiled Soil			
and Rip, D-9L W/Ripper	2 hrs	174.40/hr	349
3. Seed and Fertilize			
Farm Tractor W/Disk	2 hrs	73.65/hr	147
Laborer	2 hrs	23.65/hr	47
Seed	20 lbs	5.00/lb	100
Fertilizer	200 lbs	.25/lb	50
4. Reseed if Necessary			
Assume 20% of Area			
to be Reseeded			<u>70</u>
	Subtotal		\$1,112
	Ten Percent Contingency		<u>111</u>
	Total (1987 Dollars)		<u>\$1,223</u>
Total in 2007 Dollars (2% inflation for 20 years)			\$1,817

*Equipment costs are from the "Rental Rate Blue Book" and include operator and maintenance costs.

Total Reclamation Cost

Mining Areas: 53.3 acres x \$2,388/acre = \$127,300

Roads: **10.0 acres x \$1,817/acre = \$ 18,200

Total in 2007 Dollars \$145,500

**The 10 acres for roads comes from the Mining and Reclamation Plan. This figure is probably on the low side. All mine roads which do not have a continuing use after mining is completed will have to be reclaimed.

Summary of Disturbed Areas
Georgia Pacific Corporation
M/041/009

Note: The acreages below were determined by planimetering the quarry areas shown on the maps submitted in the 1987 Updated Plan

<u>CLAIMS</u>	<u>ACRES MINED OUT</u>	<u>ACRES CURRENTLY MINING</u>	<u>ACRES FUTURE</u>
Crescent	11.7	2.5	17.5
King's Meadow	3.7		
Western-North	4.2		
Western-South	6.5		.2
Western 40 & 41	_____	7.0(approx)	_____
Totals	26.1	9.5	17.7

Total Quarry Acreage to be Disturbed = 53.3 Acres

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